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**NEW DIRECTIONS AND TRENDS IN SOCIAL COMPENSATION
PROGRAMMES IN THE REGION**

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INTRODUCTION

After a long history of dissatisfaction and inequitable distribution of economic benefits in the region, the 1980s were characterized by a complex problematic entailing declining standards of living and plummeting social indicators.

The deterioration of the State's management capacity coincided with the crisis situation and economic disequilibria that led to drastic and often recessionary stabilization and adjustment programmes, which soon raised poverty levels and demonstrated that the more vulnerable population groups had less chance of receiving essential benefits from severely constrained public social expenditures and from institutional mechanisms incapable of sustaining constant redistributive dynamics.

In the mid-1980s, the public sector and a mobilized civil society promoted national programmes to limit the extreme negative effects of the crisis. Adjustment programmes were not designed to counteract the declines in society's vital indexes that they produced.

Therefore, compensation programmes were launched to mitigate the more severe effects, in an attempt to recover more or less the social conditions of the early 1980s. An effort was made at that time to generate new criteria and mechanisms in order to confront, in the short term, poverty and social disintegration.

At that same time, social funds, as an institutional form of compensation, spread rapidly to virtually every country in the region. They promoted social projects and extended the coverage of welfare programmes and the distribution of resources by developing new programmatic and organizational structures.

This document, briefly and based on national experiences —generally short-term— in this area, offers some observations on trends in compensation programmes in their diverse forms. It makes some projections for the 1990s, in the context of the inevitable structural complexity of the region's behaviour during this period.

It seeks, therefore, to identify the main trends and directions, finding that needs and economic constraints are creating new scenarios and situations in the short term, and reiterates the need for the longer periods of time that major social changes demand by their very nature.

It goes on to examine and spell out two aspects of compensation programmes as they seek to facilitate later development processes: social expenditure and its additional financing, and productivity in the context of the economic transition period of the next few years.

Finally, the document presents some tentative conclusions, which could later provide those involved in compensation programmes —managers and beneficiaries— with criteria that might help improve current technical and institutional ways of acting within a longer time perspective.

I. DIMENSIONS OF COMPENSATION

Tremendous needs to be met and a shrinking economy defined the dimensions of the social crisis which began in the mid-1980s and intensified towards the end of the period.¹ By 1986, 43% of the region's population lived in poverty and 21% were indigents. Based on the most recent estimates, 46% of the population were living in poverty as the 1990s began. Fifty-five per cent of the poor live in urban areas, with high degrees of spatial concentration, genuine "pockets of misery", identifiable especially in large and medium-sized cities.² It speaks volumes from an economic perspective that between 1980 and 1989 gross domestic product declined by an average of more than 10% in the countries of Latin America and the Caribbean.³

1. Nature of social compensation

Adjustment programmes, less government participation in the economy and recent efforts to speed up economic growth in the medium term seem to afford scant hope that social conditions in Latin America and the Caribbean will return to average levels similar to those of the early 1980s.

Therefore, current policy in the region gives priority to overcoming poverty and social inequality. One of the main policies is to develop social compensation programmes capable of minimizing income loss and helping to meet the needs for essential goods and services of large sectors of the population by increasing and rationalizing social expenditure and investment and targeting the most needy.

When the World Bank in 1990 projected poverty trends to the end of the century, it proposed a twofold strategy which balanced efficient, labour-intensive economic growth with adequate provision of social services. In addition, it pointed out that transfers were needed to help those who would otherwise not benefit, and that safety nets must be provided to protect those most vulnerable to income-reducing shocks.⁴

2. Heterogeneity of poverty

Distinctions should be drawn about the nature and composition of poverty. One basic element is the duration of the situation of critical shortages brought about by constraints on household income. Another is the heterogeneity of the content and manifestations of poverty, which calls for differentiated consideration and treatment.⁵ One can speak of "chronic poverty", characterized by permanency and normally greater magnitude, and "recent poverty", resulting from shortages of less duration, with more immediately felt consequences and generating situations of more localized imbalance or needs. According to the Federal Solidarity Programme of Argentina (Social Action Office of the Ministry of Health and

Social Action, January 1992), the recent poor have individual profiles, social values and aspirations very different from those typical of structural poverty.

It cannot be forgotten, on the other hand, that there is an inevitable accumulation of previous unmet needs and inequalities that aggravates recent poverty in many ways and prolongs the duration of its worst consequences. The situation of marginal people with low incomes should also be taken into account, along with the fact that they do not receive services and facilities from the State, since they are not part of the "social circle" of those who benefit from social programmes. Also noteworthy are the broad strata on the lower end of the income scale, who are especially affected by the contraction of the labour market.

3. Institutional framework: social funds

The forerunners of compensation programmes were selective programmes carried out earlier in certain countries like Chile and Brazil. The concept spread rapidly and spawned programmes for emergency attention intended to be integrated, transitory and short term and to target specific segments of the population. These programmes were quickly endowed with dynamic and efficient institutional mechanisms.

The Emergency Social Welfare Fund of Bolivia, established in 1985, was the first example of an integrated instrument with compensatory objectives. With State backing, it provided support to a high percentage of the programmes carried out by non-governmental sectors. More than a million people benefitted directly, and approximately 8 million were indirectly affected by its many services. By 1990 the Fund had taken in close to US\$240 million, 48% of which came from donations —especially from the World Bank and the Inter-American Development Bank (IDB)—, 37% from soft loans and 15% from government funding.⁶

Based on that experience, the region saw, particularly between 1989 and 1991, the birth of a number of emergency or social investment funds in practically every country, adapted to the characteristics and opportunities of each national situation.⁷ Despite their short gestation periods and the many similarities in the constitution of these programmes, differences can be found in the predominant trends and directions of their behaviour, so that certain changes in compensation programmes in the next few years can be foreseen.

II. NEW TRENDS AND DIRECTIONS

1. Search for stable answers in economic behaviour

Compensation programmes serve not only as one of a variety of stabilization or adjustment tools, but also often seek to provide a stable base for a quick recovery of strong, rapid economic growth, as seen in the behaviour of essential social variables: for example, employment and income becoming more redistributive and strategic production processes being opened to more people. Clear trends in this regard can be observed in almost all national emergency programmes; those in Mexico and El Salvador, however, have some special characteristics.

2. Pluralism in selectivity or targeting

The "natural" tendency to select the poorest sectors for compensation has broadened or diversified in several cases towards other target groups with special characteristics or demands among socially vulnerable groups. These forms of "wider targeting" can be observed in the attention given to certain basic needs, as in the case of displaced persons or refugee groups in Central America; specially needy groups of elderly in Southern Cone countries; and children and youth with unmet needs in order to avoid pernicious perpetuation of poverty from one generation to another in countries with extensive social deterioration and provide support for the participation of beneficiaries through actions for the "institutional strengthening of executives", as emphasized by the Honduran Social Investment Fund.

3. Intermediate sectors

Traditionally, the intermediate strata of society have been perceived in the region as sectors that adequately meet their basic needs, enjoy advantages in the educational and social security systems, constitute a good part of the domestic market, particularly for the production of intermediate and final goods and for desired modernization processes, and as having often played an important role in stabilizing the political system.

During the last few decades, however, this largely idealized sociological image from the past has collapsed.

The 1980s, early on, showed a rapid reduction in the "intermediate quartiles" of income brackets. The crisis and subsequent severe economic adjustment programmes then led to a sharp decline in the indicators essential to the survival of a genuine "middle class", and a sustained process of downward mobility became evident, especially in larger urban centres. Deterioration is particularly patent in terms of declining income and employment and of constraints on the coverage and quality of basic services.

Many recent studies on poverty were by 1989 placing these sectors in "risk areas", immediately above the poverty line, and ascribing to them a clear downward mobility.⁸

The main problem these sectors face today consists of new shortages which seriously affect the composition and basic behaviour of the family; limit access to certain production processes and traditional sources of jobs such as small and medium-sized enterprises or public administration; exhaust sources that sometimes made possible extended "social" forms of domestic saving and participation in consumption; and place "unprecedented" limitations on access to basic public services. The middle classes' ability to continue to play their recognized role of holding together the socio-political system has declined from what it was before the 1980s. Instead, they have become a source of drastic changes in representative systems and are affecting the recognized institutional roles of political parties in the democratic exercise of power.

Intermediate sectors receive limited consideration in compensation programmes. Special criteria for determining priorities need to be applied in order to include them, while not affecting the priority attention given to extreme poverty cases. Benefits are currently provided to intermediate sectors in fields as diverse as the generation of new production units and the maintenance of acceptable levels of productivity, along with relatively focused tasks to generate greater "capitalization of human resources", provision of essential services and supplementary food programmes.

4. Longer execution periods

The marked short-term focus of different national experiences has been expanding towards longer periods. The laws that established the corresponding institutional frameworks generally estimated periods of three to four years. As demand grew or financial or administrative resources proved to be insufficient, some periods have been extended. In other cases, social funds did not set any particular time limit on their activity but rather expected to grow. Third, periods have been lengthened because the compensation process itself has required more time for more complex tasks or for those that display rapid processes of "accumulative regeneration". Issues like coverage and quality of basic services and the execution of direct benefit projects, such as large infrastructure works or the formation of small-scale youth-related enterprises, for example, are activities that frequently require additional time for programming and/or execution.

5. Broader responsibilities for non-governmental organizations

Generally speaking, the private sector has participated more in executing and managing programmes, because of complex constraints on public expenditure and the "standardization" of mechanisms and procedures of non-governmental promotional action. These include community agencies, especially important in Bolivia, Ecuador, Mexico and Peru, private enterprises with a special vocation and ability for promotion and services, as in Colombia, and non-governmental organizations (NGOs), with rapidly growing managerial responsibilities, as can be seen in all the countries, especially in Central America, Chile and Uruguay.

The expanded presence and contribution of private organizations also play an important role in coordinating objectives and bringing about consensus and agreement among national social and political

actors who share responsibilities for social programmes. All this facilitates an expansion of the capacity for consensus-building that the region needs in its effort to grow equitably.

Also interesting at this time is the provision of basic services by the private sector, which could make it possible to broaden and decentralize health coverage, in particular by the payment of real rates, as has been the case in Chile for some years now, and giving health care new institutional forms, as in Costa Rica and other recent national experiences.

6. Capacity to mobilize resources

The increase in social demands and greater efficiency in several social emergency processes have led to the use of better tools for mobilizing resources from both local sources and multilateral financial agencies, particularly the World Bank and the Inter-American Development Bank (IDB), and technical cooperation agencies like the United Nations. Generally speaking, although they normally have special management systems, the administrative costs of these programmes have not represented an unwarranted percentage of their overall budgets.

In some cases, fiscal resources for social needs have increased considerably, particularly in Chile in recent years because of tax reform and a retargeting of social expenditure; this also applies to Mexico, where government expenditure for social development (including the National Solidarity Programme (PRONASOL)) in 1991 reached 51.4% of the country's "budgeted programmable expenditure", an increase of almost 18% over the year before.⁹

7. Sectoral participation

A sustained sectoral effort has been made in recent years to achieve greater participation in compensation programmes and develop new alternatives for emergencies. It is difficult to obtain sufficient up-to-date information on specific advances, but a trend can be observed towards giving priority to dealing with basic needs in nutrition, sanitation and health care on the one hand, and education and investments in human resources on the other, as Bolivia does at present.¹⁰

In the first case, special importance is given to preventive actions and necessary curative campaigns due to recent epidemics, basically caused by declining standards of living among the more economically vulnerable groups. These actions have generally demanded resources beyond existing financial possibilities. At the same time, different programmes are being designed to overcome food shortages in urban centres in the region.

Second, education has been adopting new medium- (and long-) term strategies related to training aimed at enhancing technical skills needed to sustain production and modernization processes.¹¹ However, education faces serious shortages in the short term, as a consequence of greater demands arising from the prevailing situation and growing institutional and financial constraints. Some essential indicators are clearly retrogressing, in such areas as literacy, preschool education and school attendance.

From another perspective, the educational system fulfils important responsibilities in the institutional management of crises. It serves as an efficient way to distribute compensatory benefits, as in the case of the so-called "school lunch programme" used by the Social Investment Fund (FONVIS) and

other social programmes in Venezuela.¹² In some countries, the educational sector receives a notably high percentage of expenditure, as is the case in Honduras, where the Honduran Social Investment Fund allocated 39.02% of its resources to education over the last 20 months (up to November 1991).¹³

III. SOCIAL EXPENDITURE AND PRODUCTIVITY

National experiences in compensation programmes and targeting of expenditures face many limitations arising from the magnitude of the demands in relation to real capacity to mobilize enough resources to meet growing needs. One of the main sources of resources is social public expenditure, which is limited, and which therefore constrains compensatory action itself from stimulating production, productivity and the labour market.

1. Social expenditure

The mobilization of public resources as the basis of financing and the means for targeting the State's contribution is still of primary importance in social emergencies. Total social expenditure is in itself a strategic indicator for reprogramming and evaluating compensation. Per capita social expenditure, as a reference point, is an even more representative tool for measurement and analysis.

Social expenditure is normally understood as the sum of resources allocated to social sectors (ministries and the like), which limits its coverage to the extent that sizeable amounts of government social spending are allocated to productive sectors or infrastructure, such as sectoral budgets in agriculture or public works, according to the way the administrative apparatus is organized.

a) Targeting and "exclusionary universality"

Originally the main reason for targeting expenditure was to compensate those sectors which, at a given time, had the greatest needs and most difficulty in meeting those needs. The criterion was to provide assistance, which has been criticized by certain sectors that feel it is urgent to give priority to improving integrated development indexes. The opposite concept of universality of public expenditure, applied in the name of equality, has also been criticized by those who see full coverage as wasteful and not beneficial for the most needy groups. Several economic adjustment programmes in the region during the 1980s emphasized overcoming the excesses of "exclusionary universality" in public expenditure and prefer to use forms of "tied assistance" in connection with promotional projects.

Various efforts were subsequently made to establish fiscal policies that combined progressive social policies and measures by using more tax revenues. At the same time, new tools were developed to promote stable economic growth in an attempt to eradicate the main causes of poverty.

Different studies and recent national experiences repeatedly show that despite recent efforts in the region to be selective, the poorest sectors do not necessarily receive the most benefits from social expenditure.¹⁴ A variety of reasons, such as universality before the law, rigorous programming,

timeliness of the benefits, pressures from beneficiaries or different kinds of leakage, can be used to explain these inconsistencies that deflect the original intention of targeting.

b) Composition of public expenditure and social expenditure

Social expenditure is an important source of financing for compensation programmes. Its volume however, usually seeks to express a balance in each case between social demands, mainly sectoral, and proportions of investment and public expenditure, within the overall framework of the allocation of the financial resources of the State and society.

Recent ECLAC studies on social expenditure in the 1980s show that in South America the percentage of GDP allocated to social expenditure, estimated in averages for the 1977-1986 period, is 8.8% in Argentina, 5.3% in Bolivia, 9% in Brazil, 7.2% in Colombia, 19.2% in Chile, 5% in Ecuador, 4.5% in Paraguay, 4.1% in Peru, 14.6% in Uruguay and 9.1% in Venezuela.¹⁵ The estimate average sectoral composition of social expenditure for the same period amounts to 5.5% for health care, 14.8% for education and 1.9% for housing and community services. It should be pointed out that social expenditure not only contracted severely in these three sectors but that it also had high coefficients of variation, revealing instability in expenditure and therefore a lack of standard criteria for longer-term programming. In any case, given its percentage share of expenditure, social security calls for a differentiated treatment because of its characteristics and complexity with respect to overall short-term rationalization.

2. Alternative sources of resources

Social expenditure generally constitutes the budgetary base of the State's contribution, without necessarily providing the major portion of resources available for social emergencies.

Various new forms of universality in public expenditure have been proposed in recent years, at a time when economies are being liberalized and greater demands are being made on social funds to meet growing needs, especially in countries with serious obstacles to rapid economic recovery and socially equitable growth. In any case, the following aims are important in relation to compensation: i) that more public resources be acquired to overcome budgetary constraints in order to expand strategic emergency actions; ii) that public expenditure be much more efficiently managed; and iii) that resources for investments and broader short-term horizons in priority social areas be increased.

The following are the main alternative sources of resources:

a) Reforms that raise taxes and provide for a more progressive tax structure, allocating additional income to finance the fiscal deficit and priority social expenditures. A tax reform requires consensus or agreement among social actors in terms of comparative advantages, particularly in situations of severe crisis or massive need.

b) Possible reallocation of expenditure through some form of technical and legal flexibility that allows for changing how promotional resources are used and for redirecting subsidies towards priority social goals. Also, resources are sometimes used from debt renegotiations or the privatization of

State-owned assets, as in Bolivia's New Social Strategy, which explicitly uses fiscal revenue of this kind as counterpart funds for external resources to be used in the social area.¹⁶

c) Charging realistic rates for public services is another form of user financing. It usually calls for a precise assessment of user ability to pay in order to make optimal use of coverage and determine the critical volume of services, especially of basic services or those provided to especially vulnerable population groups.

d) Other important sources are external contributions, mainly by multilateral credit institutions that have also promoted adjustment or stabilization programmes. Some of these resources have at times been allocated to finance compensation programmes. Normal financial operations and donations or technical cooperation (especially by the United Nations system) have also channelled reimbursable or non-reimbursable resources to emergency social programmes in even larger volumes than those provided by government contributions or other bilateral sources. The presence of multilateral contributions has often helped standardize the operational and institutional aspects of emergency financing.

e) Civil society itself contributes in a variety of ways to these programmes through private businesses, particularly in Colombia, El Salvador and Venezuela, as well as religious and charitable institutions. Non-governmental organizations are an important, generally bilateral, source of resources and services, to a degree that they are gradually assuming responsibility for managing projects and supporting community organizations. In some countries, the community itself is by and large taking over the management of projects or programmes through the organized participation of the beneficiaries. Outstanding cases include the "self-management" experience of Villa El Salvador in Lima and the urban process in Nezahualcóyotl, near Mexico City.

3. Employment and productivity

a) Towards less productivity?

The decline in employment during the 1980s reversed the trend of past decades for the workforce to move from low productivity to higher productivity activities. The sharp drop in manufacturing caused rates of rural activity to rise, and in recent years even slowed down rural-urban migration to some extent, resulting in a clear drop in total productivity both in the countryside and in informal urban activities. There is a strong trend in current economic processes, however, to raise productivity in order to enhance competitiveness and modernity in the respective production processes.

b) Micro- and small-scale enterprises

Short-term emergency or "social investment" programmes have become an expression of the trend to create or maintain employment in low productivity activities. Secondary-sector employment (plus that produced by public administration) tends to decline, and low-wage, unstable tertiary activities to increase. Emergency programmes by and large have supported micro- and small-scale enterprises in such a way that they have led to a sustained expansion of informal urban activities in places like Mexico City, Lima and Rio de Janeiro. Constraints on productivity can also be linked to a slow-down in some modern economic processes and to the emergence of certain more widespread forms of micro- and small-scale

enterprises, and therefore new processes of social organization for production, as part of the so-called "other modernity".¹⁷

If the region is to grow economically in the 1990s, it needs sweeping changes in its productive base and more widespread managerial skills. That presupposes not only actively incorporating the current variety of informal activities into the modernization of production through a vigorous growth of micro- and small-scale enterprises, but also making this an authentic incorporation and not merely a legal and institutional "formalization" of informal activity.

The growth of informal activities makes it necessary to reanalyse their significance and that of government policies dealing with this sector, according to the International Labour Organisation and PREALC in April 1992, in an analysis of the structure of the labour market in Latin America, in which the informal sector as a proportion of the workforce rose from 19%, or 16 million people, in 1980 to 24%, or 28 million, in 1990. These figures do not include small-scale enterprises, which comprise a different category in the composition of the labour market, representing 22% of the total, or 26 million people, in 1990.¹⁸

c) Unemployment among youth

The increase in unemployment and a lack of education among urban youth between 15 and 19 years of age require attention because of their negative effects on productivity. The rapid growth in the percentage of youth looking for work for the first time in countries where income dropped off sharply in the first half of the 1980s has been especially significant.¹⁹ There is no reason to expect any noticeable change in this situation in the first half of the 1990s. For change to take place, employment and productivity have to become priorities in dealing with social problems beyond the short term. It is also important to emphasize: i) giving priority attention to labour market variables; ii) optimizing significant changes at the enterprise or productive unit level; iii) increasing resources for technical development; and iv) rapidly recovering and developing national educational systems.

IV. CONCLUSION: THE FUTURE OF COMPENSATION IN THE 1990s

The central element in the conception and functioning of compensation or social "protection" programmes has been, as we have seen, targeting social expenditure.²⁰ The structural adjustments of the 1980s produced tools and resources for alleviating extreme poverty and social inequality arising from the stabilization measures themselves, through programmes mainly to help the most vulnerable sectors meet their basic needs, activate the participation of beneficiaries and use resources for social purposes more selectively.²¹

1. The complexity of the medium term

From the general perspectives examined above, at this time there seems to be no clear perception of the shape compensation programmes will take in the 1990s, except for the positive hypothesis that real and equitable processes of growth and redistribution can gradually alleviate the extreme consequences of current unmet needs, including in countries where economic growth is more difficult. At the same time, there is the certitude that emergency actions and social policies are urgently needed in order to avoid even further deterioration, such as changes in precarious social equilibria or the possibility that the foundations of the free exercise of democracy could be affected, after having expanded remarkably in the region over the last few years.

A high proportion of compensation projects now reflect a certain continuity with previous long-standing efforts or partial targeting arising from sectoral needs. In any case, policies and priorities should be updated in order to redirect actions and resources along new lines, in a search for new roads to growth. Rather than to improve "defensive social strategies", the intention is to complement present efforts, basing decisions not on the supply of resources, but on the demand for short-term priority needs to be met.

2. Compensation and development policies

The complexity of social reality in the region also requires longer-range guidelines, mainly based on the economy's performance over the medium term.

The present social problematic of the region, therefore, calls for medium-term or longer social policies, which in addition to overcoming recent poverty and inequalities, can take up many priority challenges for a genuinely integrated view of development. Changes needed in fields such as education, rural life, the organization of the State, social consensus and family behaviour, among other areas, form part of a long and urgent agenda that calls for clear priorities, adequate instruments and complementary behaviour, so that, based on the execution of short-term directives, positive courses of action can be constructed leading to more equitable human development.

All this points to the need for compensation programmes within present margins of autonomy and institutional dynamism, to coordinate or update their current policies, projects and actions, based on certain central guidelines leading to equitable growth. This would ensure that today's decisions would effectively lead to equitable growth over the long term, as recently called for by the Presidents of six Central American countries in their Eleventh Summit Meeting held in Tegucigalpa.²²

3. Coordination with production

One of the medium-term objectives of compensation programmes could be to achieve a better articulation of the social base with the production process. Another could be to ensure the basic components that make it possible to carry out processes of modernization, productivity and competitiveness.²³

The road to achieving these objectives is linked to:

a) The priority that should be given in the short term to education as the means to enhance technical skills and develop knowledge and creativity.²⁴

b) The recovery of production skills and greater productivity of strategic actors like family and community organizations. This aspect is of particular importance in rural areas where peasant agricultural (and non-agricultural) production are highly responsive to external promotional stimuli. There is a lack of up-to-date information on changes in rural productivity in relation to rises in standards of living and applied technology, but they are thought to be of particular interest to many countries of the region with these characteristics.

c) The fact that compensation programmes to support urban micro- and small-scale enterprises or social production units have an insufficient impact in the short term on production and real levels of productivity. None the less, the problematic of the informal sector of the economy is so large and far-reaching that it could have an impact on the productive structure in the medium term, according to recent trends observed among "small-scale entrepreneurs".

4. Projection of concrete experiences

An examination of recent experiences of managing targeted compensation programmes in the region shows:

- i) the effective technical and operational consolidation of the "social short term", characterized by institutional autonomy, marked dynamism and the capacity to mobilize resources and advances in programming and management;
- ii) an increasingly efficient targeting of social expenditure as a general guideline;
- iii) a noticeable increase in the capacity to manage projects and social actions, rapidly and consistently overcoming older technical and institutional limitations that had accumulated in central administrations;

- iv) new ways of managing or supporting social projects on the part of private sectors, civil society and the beneficiaries themselves;
- v) more rationality in the size and application of social expenditure;
- vi) a strategic use of actions in different areas that bring together large numbers of beneficiaries, especially in urban areas, closely coordinating in each case strategic actions with corresponding local or municipal governments, and
- vii) the specific incorporation of productivity as a criterion for prioritizing social programmes, within larger processes of changing production patterns for equitable development.

5. Institutional framework

The way several social funds work is related, for example, to the efficiency of institutions with sufficient autonomy, managerial skills and functional dynamism. This observation, however, leads to seeing these experiences as positive bases for shaping new forms of social authority, understood as the institutional mechanism that makes the main social components of growth work together, both within the public and private sectors. Over the last decade, the question of institutionalizing social activities has led to many diverse proposals and some concrete regional experiences, and calls, in any case, for overcoming the isolated and normally out-of-date thinking behind social policies, allowing for the creation of the structures necessary for an effective, collective rationalization and a genuinely coordinated and complementary operation of different actors involved in social programming.²⁵

Notes

¹ ECLAC, Magnitud de la pobreza en América Latina en los años ochenta (LC/L.533), Santiago, Chile, May 1990.

² ECLAC, Panorama social de América Latina. Edición 1991 (LC/G.1688), Santiago, Chile, October 1991.

³ ECLAC, Social Equity and Changing Production Patterns: An Integrated Approach (LC/G.1701-P), Santiago, Chile, April 1992. United Nations publication, Sales No. E.92.II.G.5.

⁴ World Bank, World Development Report, 1990. Poverty, Chapter 9, Washington D.C., Oxford University Press, June 1990.

⁵ In order to further specify the meaning of poverty, the characteristics of poor households can be described on the basis of income and unmet basic needs. For this methodological procedure, an "index of unmet basic needs" was constructed and applied in Montevideo during the period 1984-1986. The index, which made it possible to identify the heterogeneity of poverty, is discussed in Rubén Katzman's study, "The heterogeneity of poverty. The case of Montevideo", CEPAL Review, No. 37 (LC/G.1547), Santiago, Chile, April 1989.

⁶ Social Emergency Fund, Seminario de Evaluación, La Paz, Hisbol, 1989.

⁷ See "Venezuela: Fondo de Inversión Social de Venezuela (FONVIS)", Seminario Internacional sobre Fondos de Desarrollo Social (LC/IP/G.55), held in Santiago, Chile, 7-9 November 1990, organized by UNICEF, ILPES, OAS, UNDP, PREALC.

⁸ UNDP, Desarrollo sin pobreza, Second Regional Conference on Poverty in Latin America and the Caribbean (RLA/86/004), Quito, 1990.

⁹ "Debate legislativo en torno al Programa", Gaceta de solidaridad, vol. 2, No. 43, Mexico City, 1992.

¹⁰ The new Social Investment Fund (FIS) of Bolivia, which began its activities in 1990, differs clearly from FSE in several ways, in that it places a marked sectoral, medium- or long-term emphasis on health and education. The new fund has received considerable financial and institutional support from the World Bank. See World Bank, Bolivia: Social Investment Fund Project, Staff Appraisal Report No. 8248-BO, Human Resources Division, Latin America and the Caribbean Regional Office, Washington, D.C., March 1990.

¹¹ See ECLAC, Changing Production Patterns with Social Equity. The Prime Task of Latin American and Caribbean Development in the 1990s (LC/G.1601-P), Chapter III and V.B, Santiago, Chile, March 1990. United Nations publication, Sales No. E.90.II.G.6.

¹² In the most depressed urban areas, through the activities of the educational system (by students, teachers and parents), an appreciable quantity of basic goods and services are being distributed in Venezuela.

¹³ Honduran Social Emergency Fund, Informe al Sr. Presidente de la República sobre las actividades del Fondo Hondureño de Inversión Social, Tegucigalpa, November 1991.

¹⁴ Recent estimates for a number of countries of the region indicate that only somewhere between one fifth and one sixth of the resources earmarked for the poor actually reach the most needy recipients.

¹⁵ See ECLAC, El gasto público social en América del Sur en los años ochenta. Un análisis introductorio (LC/R.961), Santiago, Chile, December 1990, with regard to data preparation methodologies, based on information provided by IMF.

¹⁶ See the chapter of Estrategia social boliviana concerning resources for implementing social policy, La Paz, Conapso, September 1991.

¹⁷ Carlos Franco, La otra modernidad, Centro de Estudios para el Desarrollo y la Participación (CEDEP), Lima, November 1991.

¹⁸ ILO/PREALC, El empleo urbano: diagnóstico y desafíos de los noventa. Informe, Santiago, Chile, April 1992.

¹⁹ See ECLAC, Panorama social ..., op. cit.

²⁰ A broad analysis of the implications of applying selectivity or targeting of expenditure can be found in: Ana Sojo, "Nature and selectiveness of social policy", Cepal Review, No. 41 (LC/G.1631-P), Santiago, Chile, August 1990.

²¹ Percy Rodríguez Noboa, "Selectivity as the crux of social policies", CEPAL Review, No. 44 (LC/G.1667-P), Santiago, Chile, August 1991; and La compensación social: alcances y posibilidades, UNDP/ILPES Regional Project RLA/86/029, Santiago, Chile, October 1990.

²² Los lineamientos regionales para el desarrollo humano, la infancia y la juventud, Eleventh Summit Meeting of Presidents of the Central American Isthmus, Tegucigalpa, December 1991, states that one of the Presidents' objectives is to identify social compensation measures and actions and include them in ongoing, non-transitory strategies and measures to promote human development.

²³ See the material contained in the IDB document, Experiencia de América Latina en el financiamiento de los sectores sociales, Project Analysis Department, Office of Social Development, Washington, D.C., November 1991. The document includes contributions and comments from a group of experts participating in the corresponding technical seminar.

²⁴ See ECLAC/UNESCO, Education and Knowledge: Basic Pillars of Changing Production Patterns with Social Equity (LC/G.1702(SES.24/4), Santiago, Chile, 1992.

²⁵ See Joan Neil, Adjustment, Transformation and the Social Sector: Framework for Continuing Analysis and Policy Reformulation, Port of Spain, ECLAC subregional headquarter for the Caribbean, November, 1990.